Inside story of Bank SCAM

52. SHRIMATI KAMLA SINHA:
DR. BAPU KALDATE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the 'Inside Story of Bank Scam' a book by P.K. Gupta, former CBDT member (Investigation) highlighting the sabotage and dilatory methods adopted by bureaucrats and politicians to trace the end use of the money; and

(b) if so, what is the reaction of Government with regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M,V. CHANDRASHEKHAR MURTHY): (a) and (b) Government is aware of the news item which appeared in Indian Express on 29th December, 1994 under the caption "Scam hunt was officially sabotaged" containing excerpts of the book "The Inside Story of Bank Scam" written by Shri P.K. Gupta, former Member (Invesigation), CBTD. However, it appears from market enquiries that the book is not available in the leading book stores and probably, the book has not yet been published.

Vostro Account Scandal

53. DR. BAPU KALDATE:
SHRIMATI KAMLA SINHA:
SHRI GURUDAS DAS GUPTA:
SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a Vostro account scandal has been unearthed involving some Indian and foreign banks;

(b) if so, the details thereof; and

(c) the details of the investigations being conducted into the deals and with what results?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) Enforcement Directorate has intimated that during the period December 1992 to May 1993, it had investigated 40 illegal transactions through various banks involving a total amount of Rs. 77.9 crores in which non-convertible Rupee funds emanating from the Bank for Foreign Economic Affairs of the erstwhile U.S.S.R, were credited to the Vostro A/cs of various foreign banks held with banks in India. All these transactions pertained to the period January, 1991 to September, 1992. After completion of investigations Show Cause Notices have been issued to the banks concerned and their officers during the period June, 1993 to February 1994. Also sanction to prosecute has been issued under Section 56 of F.E.R.A. 1973 in respect of all these transactions.

Enforcement Directorate has further intimated that in December, 1994 certain documents seized by the CBI, Bombay in August 1994 in connection with an investigation being conducted by them in another matter, were handed over to the Enforcement Directorate. These documents have revealed that the actual scale of the Vostro A/cs relating to illegal remittances made/illegal remittances attempted is of a total value of Rs. 166 crores, including the amount of Rs. 77.9 crores already investigated by the Directorate. The balance transactions also pertained to the same period i.e., January, 1991 to September. 1992 and are under investigation.

Entry of foreign insurance firms

54. DR. SANJAYA SINH:
SHRI GHUFRAN AZAM:
SHRT YERRA NARAYANA-SWAMY:
SHRI GAYA SINGH:

Will the Minister of FINANCE be pleased to state: